



Governor
ERNIE FLETCHER

**KENTUCKY WORKERS' COMPENSATION
FUNDING COMMISSION**

42 Millcreek Park
P.O. Box 1128
Frankfort, Kentucky 40602-1128

Executive Director
JON ERIC NIELSEN

IMPORTANT NOTICE

To: All Self-Insurers
Date: March 10, 2006
Re: Quarterly Premiums Report – 1st Quarter - Ending March 31, 2006
Report
Due Date: April 30, 2006

Enclosed is a Quarterly Premiums Report for the 1st Quarter ending March 31, 2006.

This report and any Special Fund assessments due for the 1st Quarter of 2006 must be received in the office of the Kentucky Workers' Compensation Funding Commission, **or postmarked by the United States Postal Service, no later than April 30, 2006.** Please note that a company's postage meter with date is **not** considered an acceptable form of USPS postmark.

The rates in effect are as follows:

All Employers	6.5 %
Severance or Processing of Coal Additional	0.5 %

Note that the "All Employers" rate for 2006 has changed to 6.5%; and the "Coal Additional" rate remains at 0.5%. Also note that each reporting Self-Insured entity **must** submit separate checks for each specific payment (i.e. Quarterly Premiums Report, Amended Reports, Penalty and Interest, etc.). There is now a field to put the Contact Persons Email Address, below the Contact Persons phone number.

Please note that we now have an operational Web Site where you can download Quarterly Premium Report Notices and Forms. It can be reached at: www.kwcfc.ky.gov If you have any questions regarding this report, please call Joyce Hensley at (502) 573-3505 extension 232.

Jon E. Nielsen
Executive Director

Enclosure: Quarterly Premiums Report – 1st Quarter 2006

PHONE: (502) 573-3505
FAX: (502) 573-4023

www.kwcfc.ky.gov

**KENTUCKY WORKERS' COMPENSATION
INDIVIDUAL SELF-INSURER
QUARTERLY
PREMIUMS REPORT**
(KRS 342.122)

Name of Company		Report for 1st Quarter 2006	
Address (Number, Street, Post Office Box) <input type="checkbox"/> Address Change		* Federal Employer's ID Number (FEIN)	
City State Zip Code		Contact Person (Person Preparing Report) Name: Title: Phone Number : () - Email Address	

*** Mandatory Field for Proper Credit**

Please complete report in accordance with instructions on reverse side. Report and payment must be received in the office of the Funding Commission, or postmarked by the **United States Postal Service** no later than 30 days following the end of the calendar quarter reporting period. Make check payable to and mail report and check to:

**Kentucky Workers' Compensation Funding Commission
#42 Millcreek Park, P.O. Box 1128, Frankfort, Kentucky 40602-1128**

	(A) All Employers Special Fund Assessments	(B) Additional Assessments Severance or Processing of Coal
(1) Total Annual Calculated Premium	\$	\$
(2) Quarterly Premium [Line (1) ÷ 4]	\$	\$
(3) Special Fund Assessment Rates (6.5%)	X .065	X .005
(4) Assessments Due [Line (2) x Line (3)]	\$	\$
(5) Total Assessment Due [Add Columns (A) and (B), Line (4)]	\$	
(6) Adjustment From Previous Reports [Attach Explanation]	\$	
(7) TOTAL AMOUNT DUE [(5) ± (6)] (See Payment Info Below)	\$	

IMPORTANT PAYMENT INFORMATION: In order to properly credit your account, each reporting entity **MUST** submit a separate check per individual quarterly filing equal to the amount computed on line 7 above.

The undersigned certifies that this return has been examined and is, to the best of the undersigned's knowledge and belief, a true, correct and complete report made in good faith.

President or Other Authorized Representative

Title

Date

SPECIAL FUND ASSESSMENTS – INDIVIDUAL SELF-INSURERS

- (A) **All Employers Special Fund Assessments** A Special Fund assessment is imposed upon all employers carrying their own workers' compensation risk in accordance with KRS 342.340 based upon the premium calculated by the Department of Workers' Claims as defined in KRS 342.0011(28). The Special Fund assessment is not imposed upon premiums written or received:
- (a) On contracts between insurers and reinsurers;
 - (b) From excess or catastrophic coverage for self-insurers approved under the provisions of KRS 342;
 - (c) From Federal Black Lung or other Federal workers' compensation provided individual self-insurers; and
 - (d) From Longshoremen's and Harbor Workers' Compensation Act.
- (B) **Additional Assessment – Severance or Processing of Coal** In addition to the assessment imposed in (1) above, an additional Special Fund assessment is imposed upon premiums from employers engaged in the severance or processing of coal. This additional assessment is to be applied to the total premium, including administrative and selling functions, of any employer with any employees on its payroll engaged in any activity performed in Kentucky at underground, auger and surface mining sites, any activity performed at tippie or processing plants that clean, break, size or treat coal or any activity performed at coal loading facilities for trucks, railroads and barges, provided:
- (a) This additional assessment shall not apply to acts performed by final consumer at site of final consumption;
 - (b) This additional assessment shall not apply to acts performed by independent truckers not otherwise affiliated with an employer engaged in the above coal severance or processing activities;
 - (c) A business entity which is engaged in a separate business activity not related to coal, for which a separate premium charge is not made, shall be deemed to be engaged in the severance or processing of coal only to the extent that the number of employees engaged in the severance or processing of coal bears to the total number of employees.

INSTRUCTIONS

(1) **Total Annual Calculated Premium**

Column (A) Total Self-Insured Premium calculated by the Department of Workers' Claims for the calendar year that includes the quarter covered by the report.

Column (B) Amount in Column (A) for employers engaged in the severance or processing of coal.

- (2) **Quarterly Premium** Amount of Total Annual Calculated Premium on Line (1) applicable to the quarter covered by the report. An employer qualified as a self-insurer on or before January 1, of the calendar year for which the report is submitted shall divide the Total Calculated Premium by four (4) to obtain the amount or premium to be reported for each quarter. An employer qualifying or ceasing as a self-insurer after January 1, of the calendar year for which the report is submitted shall apportion the Quarterly Premium obtained above in accordance with the number of days that the employer was self-insured during the quarter reported.
- (3) **Special Fund Assessment Rates** The Special Fund assessment rates effective January 1, shall apply to the four (4) calendar quarters ending December 31, of the same year.
- (4) **Assessments Due** Multiply amounts in (2)(A) and (2)(B) by Special Fund assessment rate applicable to each.
- (5) **Total Assessment Due** Add amounts in (4)(A) and (4)(B) to obtain assessment due for quarter reported.
- (6) **Adjustment From Previous Reports** Enter any credit or debit adjustments or corrections from previous reports. Attach detailed explanation.
- (7) **Total Amount Due** Total of Lines (5) and (6) to be remitted with report.

PENALTY AND INTEREST

Penalty and Interest Penalty and interest shall be applied to quarterly payments not received in the office of the Funding Commission or post-marked by the United States Postal Service by the 30th day of the month following the end of the calendar quarter. Interest shall be applied at the rate of 7% per annum for 2006, calculated on the number of days past due. A penalty of 1.5% per month shall be charged for any portion of any month that payment is past due without proration.